

ISSUE DATE: June 4, 1999

DOCKET NO. P-999/M-97-506

ORDER CONFIRMING APRIL 6, 1999 DECISION, WITH MODIFICATION AND
FURTHER CLARIFICATIONS

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Edward A. Garvey
Joel Jacobs
Marshall Johnson
LeRoy Koppendrayner
Gregory Scott

Chair
Commissioner
Commissioner
Commissioner
Commissioner

In the Matter of a Relief Plan for the Exhaust
of the 612 Area Code

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PROCEDURAL HISTORY

On April 6, 1999, the Commission issued its ORDER AFTER RECONSIDERATION in the above-captioned matter. In that Order, the Commission modified its previous December 15, 1998 Order determining Phase II of the (612) area code relief plan. The Commission decided that Minneapolis, Fort Snelling, St. Anthony, and Richfield would retain the (612) area code in the Phase II split. The remainder of the (612) area would be split into two sections and assigned two area codes. One area code would be assigned to the suburbs north and west of Minneapolis, down to approximately I-394; the other code would be assigned to the suburbs south and west of Minneapolis, up to approximately I-394. The line between the northern and southern areas would be drawn along municipal boundaries for the most part. However, in the less urbanized area west of the boundary between Medina and Long Lake/Orono, the two sections would be divided along wire centers.

The Commission also made the following decisions in the April 6, 1999 Order:

- the permissive dialing period for Phase II would begin December 1, 1999
- wireless service providers could choose to retain their current (612) prefixes, and, if they wish, obtain prefixes in the two new area codes--regardless of location of the wireless providers' switches (a pattern known as wireless grandparenting)
- subscribers in Braham and Lonsdale would continue to seven-digit dial to their respective EAS partners in Cambridge and Webster/New Market (although ten-digit dialing would remain permissive)
- subscribers in Cambridge and Webster/New Market would ten-digit dial to their respective EAS partners in Braham and Lonsdale
- US WEST was required to respond to the Metropolitan 911 Board's questions regarding effects of area code relief on the 911 system, and to work especially closely with the Metropolitan 911 Board during the implementation of further area code relief
- Minn. Rules, part 7829.3000, would be varied to allow parties to request reconsideration of the Order

On April 23, 1999, the North American Numbering Plan (NANPA) filed a response on behalf of the Minnesota Telecommunications Industry. NANPA submitted exhaust projections for the three areas into which the Commission would divide the (612) area under the April 6 plan:

612 area code	5.8 years
Northern Suburbs area	18.9 years
Southern Suburbs area	13.6 years

NANPA noted that the exhaust projections would be different if wireless providers were not “grandparented,” as the Commission had ordered. Without wireless grandparenting, the exhaust projections would be as follows:

612 area code	6.8 years
Northern Suburbs area	17.5 years
Southern Suburbs area	13.2 years

On April 23, 1999, the Minnesota Burglar and Fire Alarm Association, Inc. and Honeywell, Inc. (a burglar and fire alarm provider) filed requests for reconsideration. The burglar and fire alarm companies asked the Commission to extend the permissive dialing period for at least 18 months to allow the companies sufficient time to reprogram customer alarms for the new area codes.

On April 26, 1999, MCI WorldCom (MCIW), Contel of Minnesota, Inc. d/b/a GTE Minnesota (GTE), Sprint Spectrum L.P. (Sprint), AT&T Communications of the Midwest, Inc. (AT&T), and US WEST Communications, Inc. (US WEST) filed petitions for reconsideration of the April 26, 1999 Order. Each of these petitioners asked the Commission to reconsider its geographic split decision and to choose instead an overlay approach. MCIW also asked the Commission to discontinue wireless grandparenting of assigned prefixes, or to grandparent MCIW if wireless grandparenting were continued. US WEST asked the Commission to grant the company the recovery of costs associated with implementing a geographic split, and to minimize Y2K problems by postponing commencement of the permissive dialing period to February 15, 2000. GTE asked the Commission to reconfigure the area code boundary along wire center boundaries in one instance to incorporate into the Maple Plain exchange two GTE customers who reside within the municipal limits of Long Lake/Orono.

On May 3, 1999, the Bloomington Chamber of Commerce’s Board of Directors filed a letter supporting the overlay approach and requesting further hearings regarding (612) area code relief.

On May 6, 1999, the Department of Public Service (the Department) filed a reply to the requests for reconsideration. The Department supported postponing the start of the permissive dialing period until February 15, 2000; extending the permissive dialing period for certain prefixes used by the burglar and fire alarm industry; and granting GTE’s request for boundary relief for its Orono customers. The Department recommended two further central office (CO) code conservation measures: 1) require telephone companies to provide NANPA an exhaust analysis of the entire rate center with any request for assignment of a CO code; and 2) require telephone companies requesting a CO code to provide an analysis of need to the Department. The Department recommended requiring US WEST to pursue any cost recovery request in the company’s AFOR proceeding. Although the Department did not request reconsideration, the

Department recommended adoption of a two-way geographic split if the Commission decided to reconsider its previous decision.

The Department supplied the following exhaust projections for the three-way geographic split along municipal boundaries: 9.3 years for the Minneapolis core; 19.0 years for the Northern Suburbs area code; 16.0 years for the Southern Suburbs area code. The Department predicted an exhaust in the overlay situation in 10.0 years.

On May 6, 1999, US WEST filed its reply to the motions for reconsideration. US WEST continued to advocate the overlay solution for (612) area code relief.

On May 7, 1999, the Suburban Rate Authority (SRA) filed a reply to the requests for reconsideration. The SRA recommended that the Commission reject the requests for reconsideration of the Commission's three-way geographic split decision. The SRA supported GTE's request to draw the area code boundary line along the Maple Plain wire center boundary, *if* the limited nature of the requested relief is borne out by further factual review.

On May 17, 1999, the Shakopee Area Chamber of Commerce & Convention & Visitors Bureau filed a letter supporting the overlay method.

On May 19, 1999, the matter came before the Commission for consideration. At the meeting, Carlson Companies asked the Commission to allow them to keep the 10,000-number "212" prefix assigned to the Carlson Center campus in a single area code.¹ The Carlson campus, the company's worldwide headquarters, is located in Plymouth and Minnetonka, on both sides of the proposed boundary between the new northern and southern area codes. Carlson Companies did not state a preference for the northern or southern area code. The company emphasized that it needed a single area code to preserve corporate identity for its far-flung international customers and affiliates and to avoid confusion over which area code to dial when calling a Carlson Companies employee.

At the May 19 meeting, the NANPA representative modified NANPA's exhaust projections slightly. After considering the latest information, NANPA changed its projected exhaust for the 612 area code (Minneapolis) from 5.8 years to 4.3 years. All other projections, including the estimate of 5.9 years for an overlay, remained the same. The NANPA representative also stated that NANPA would grant the Commission's request for two new area codes, if the Commission decided to remain with the three-way geographic split after reconsideration.

FINDINGS AND CONCLUSIONS

I. INTRODUCTION AND SUMMARY OF THE ORDER

In Part II of this Order the Commission addresses various parties' requests for reconsideration of the April 6, 1999 decision establishing a three-way geographic split along municipal boundary lines. The Commission determines that the major premise of that Order should be confirmed.

¹ The Carlson Companies are currently using approximately 8,000 of the 10,000 reserved "212" numbers.

Having determined/confirmed the basic structure of relief for the (612) area code, the Commission in the remainder of the Order addresses various issues raised by the parties to this proceeding: commencement of the permissive dialing period; extended permissive dialing for burglar and fire alarm companies; GTE's request for the area code boundary to follow the Maple Plain wire center line in one instance; the Department's number conservation recommendations; and Carlson Companies' request for a single area code.

II. THE REQUESTS FOR RECONSIDERATION OF THE COMMISSION'S DECISION TO SET A THREE-WAY GEOGRAPHIC SPLIT ALONG MUNICIPAL BOUNDARIES

A. Comments of the Parties

US WEST, MCIW, GTE, Sprint, and AT&T asked the Commission to reconsider its April 6, 1999 decision and to order the overlay method of area code relief.

The Department asked the Commission, if it decided to reconsider its previous decision, to adopt a two-way geographic split.

B. Commission Action

In its April 6, 1999 Order, the Commission carefully examined the three-way geographic split in light of the decision criteria the Commission has developed over the course of its dealings with area code relief. The Commission found that the three-way geographic split provides the greatest possible relief for pending area code exhaust with the least disruption and confusion for consumers and the least adverse effect on competitive providers. The Commission determined that the three-way split plan was preferable to either the overlay method or a two-way geographic split.

Because it was not clear if NANPA would grant two new area codes, and because the Commission recognized that technology and industry practice are changing with amazing speed, the Commission allowed the unusual step of a second reconsideration period in this proceeding. The Commission waived its rule limiting proceedings to one reconsideration to allow the parties a second opportunity to present their latest information, data, and opinions.

Having carefully considered the parties' second set of reconsideration filings, the Commission finds nothing to persuade it that the April 6, 1999 decision was incorrect. The Commission remains convinced that a three-way, municipally-drawn geographic split will preserve community identity, allow competitive neutrality, and accommodate long-term stability. Significantly, the three-way geographic split, according to US WEST's latest calculations, will retain seven-digit dialing for nearly half the calls in the (612) area. This is a vast number of calls; absent any persuasive reason, the Commission is unwilling to convert them to ten-digit calls in the overlay scheme.

The three-way geographic split will mean that sufficient numbers have been secured for the foreseeable future for the new Northern Suburbs area, the new Southern Suburbs area, and St. Paul's (651) area code. Further number relief--whether through another split or an overlay--may eventually prove necessary for Minneapolis, which NANPA and the Department project to exhaust in 4.3 to 9.3 years. (A very real possibility exists, however, that vigorous number conservation efforts may delay or obviate that possibility.) Even if an overlay were eventually chosen for Minneapolis, the limited size and distinct nature of the overlaid area would still preserve the overall Minneapolis/St. Paul metropolitan area geographic identity. This identity would be irreversibly lost if an overlay were currently applied to the entire (612) area.

Because the Commission remains convinced of the merits of the three-way geographic split, and because the parties have produced no new argument or fact to persuade the Commission from its position, the Commission will deny the parties' requests for reconsideration. The Commission will reaffirm the findings, conclusions, and reasoning of its April 6, 1999 Order, with one modification: delaying the start of the permissive dialing period (see part III below). The April 6, 1999 Order remains unchanged and reaffirmed in every other respect.²

III. COMMENCEMENT OF THE PERMISSIVE DIALING PERIOD

A. Comments of the Parties

US WEST and MCIW asked the Commission to delay commencement of the permissive dialing period for Phase II until at least February 15, 2000 to avoid problems associated with Y2K. US WEST noted that its information systems personnel are already taxed dealing with the company's Y2K remediation; compounding this effort with the implementation of a new area code dialing pattern could compromise both programs.

The Department supported US WEST's and MCIW's requests to delay implementation of a permissive dialing period for Phase II of area code relief.

² The April 6, 1999 Order (itself an Order after reconsideration) also waived the Commission's reconsideration rules to allow the parties a second reconsideration period. By reaffirming the April 6, 1999 Order, the Commission does not intend to renew the reconsideration provision. This Order is the Commission's final Order.

B. Commission Action

The Commission will comply with the requests and order the permissive dialing period for Phase II to commence after February 15, 2000.³ The Commission recognizes that the telecommunications industry is working hard to prevent Y2K service interruptions. Avoiding a convergence of technological issues at the beginning of the millennium justifies a short delay in rolling out Phase II implementation.

IV. EXTENDED PERMISSIVE DIALING FOR BURGLAR AND FIRE ALARM COMPANIES

A. Comments of the Parties

The burglar and fire alarm industry asked the Commission to provide the industry with a permissive dialing period of at least 18 months beyond the planned termination of the Phase II permissive dialing period (i.e. beyond January, 2001). The burglar and fire alarm industry's permissive dialing period would thus extend to approximately July, 2002.

Although the burglar and fire alarm industry had not yet approached US WEST, the industry expected the need for an extended permissive dialing period to apply only to the approximately 20 US WEST prefixes the industry currently uses for alarm monitoring. The burglar and fire alarm industry argued that it needed a significantly extended permissive dialing period because the sheer number of customers in the western suburbs raises more complicated problems than those encountered in Phase I's (651) St. Paul area.

US WEST did not oppose the concept of an extended permissive dialing period for the alarm industry, but did point out that other industries also face implementation issues and that other local carriers would also need to cooperate with the alarm industry. US WEST promised to work with the burglar and fire alarm industry to address permissive dialing issues.

B. Commission Action

The Commission understands that the burglar and fire alarm industry needs sufficient time to reprogram alarms to accommodate number changes without compromising customer safety. However, the Commission is unconvinced that the burglar and fire alarm industry needs nearly three years to finish reprogramming its customers' alarms. The Commission will therefore grant the burglar and fire alarm industry an extended permissive dialing period of up to 10 months beyond the end of the original Phase II permissive dialing period. The alarm industry, US WEST, any other involved local carriers, and the NANPA should work together to identify the central office codes for which the dialing period must be extended, and to implement the necessary extension.

³ The final date for commencement of the Phase II permissive dialing period has not yet been determined.

V. GTE'S REQUEST FOR RECONSIDERATION

A. Comments of the Parties

GTE explained that its Maple Plain exchange lies mostly within the municipality of Independence, which will be in the new Northern Suburbs area code. However, the Maple Plain exchange extends slightly into the municipalities of Long Lake/Orono, which will be in the new Southern Suburbs area code. As a result, six⁴ GTE customers in Long Lake/Orono who are served out of the Maple Plain exchange would be assigned the southern area code. GTE would be required to obtain a duplicate office code in the southern area code to serve the six customers, an expensive procedure that would contribute unnecessarily to CO code exhaust. GTE asked that the boundary line between the Northern Suburbs and the Southern Suburbs follow the Maple Plain wire center boundary in one instance, so that the six Long Lake/Orono customers, along with the rest of the Maple Plain exchange customers, are included in the Northern Suburbs area code.

No party opposed GTE's request. The Department supported GTE.

B. Commission Action

The Commission will grant GTE's request to draw the area code boundary line along Maple Plain's wire center boundary to include the six Long Lake/Orono customers in the Northern Suburbs area code. This slight deviation from the general municipal boundary scheme is justified by the reduction in cost, confusion, and CO code use.

VI. THE CARLSON COMPANIES' REQUEST

A. Comments of the Parties

The Carlson Companies asked to be assigned a single area code, whether the new Northern Suburbs area code or the new Southern Suburbs area code, for its entire world headquarters campus. Without such relief, the campus site, located partially in the northern area and partially in the southern, would receive two area codes. The company argued that it needed a single area code to avoid the loss of its corporate identity--a significant issue for its thousands of employees, affiliates, and customers in 142 countries.

No party opposed Carlson's request. The SRA, a strong advocate of municipal boundary lines, supported Carlson's petition because of the company's unique need. The Minnesota Business Utility Users Council (MBUUC) stated that Carlson Companies should be granted a single area code in order to maintain its corporate identity in an international business environment.

⁴ At the time GTE filed its petition for reconsideration, the company believed two Orono customers were affected by this boundary situation. By the time of the Commission meeting, the company's investigation had revealed six affected Orono customers.

B. Commission Action

Carlson Companies has asked for relief from the Commission's general scheme basing area code relief on municipal boundaries. The Commission must examine closely any request for exceptional area code treatment; indiscriminate modifications to the area code plan would significantly dilute the benefits of municipal boundary area code relief.

In this case, Carlson Companies has presented a strong case for area code boundary relief. The company employs over 3,000 people in its world headquarter campus spread over portions of two suburbs (and hence, two future area codes). Carlson Companies' travel services, hotel chains, and other businesses are focused internationally, with significant presences in over 100 countries. Granting Carlson Companies a single area code will benefit the company in two ways: parties will not need to look up area codes when they dial one of Carlson's 3,000 employees; and overseas employees and customers will remain connected to a single corporate identity through dialing patterns.

In this particular set of facts, the significant benefits to the company outweigh any slight erosion of the municipal boundary concept. The Commission notes that the boundary will only be adjusted for this particular company by granting its request to keep its "212" prefix numbers in a single area code; residents and other businesses located in the Carlson Companies' vicinity (but using different prefixes) will not lose their municipal identity.

For these reasons, the Commission will grant Carlson Companies' request to retain its "212" prefix numbers in a single area code. Whether that area code will be the Northern or Southern Suburbs area code is yet to be determined.

VII. THE DEPARTMENT'S NUMBER CONSERVATION RECOMMENDATIONS

A. Comments of the Parties

The Department stated that efficient and fair number utilization could significantly slow or eliminate the need for future area code relief. The Department noted that the Commission had previously ordered rate center consolidation of the metropolitan area to eliminate the need for multiple prefix assignments to competitive local exchange carriers (CLECs) entering the area. The Department recommended that the Commission order two more number conservation initiatives.

The Department recommended that a company (including an incumbent LEC) requesting a new CO code be required to submit to the NANPA an exhaust analysis of the company's current available CO codes for the entire rate center. The Department believed that such a requirement would ensure that central office codes are assigned for true need.

The Department also noted that providers currently self-certify their need for an additional CO code. The requesting provider must state that it will exhaust its existing prefixes within one year, or, in a jeopardy allocation situation, within six months. The Department recommended that the Commission require a provider to submit its request for an additional CO code, along with its analysis of need, to the Department. The Department would review the requests to ensure they were legitimate. The Department did not recommend that the Commission review or approve each code application; presumably, the Department would only bring an irregularity to the Commission's attention.

In general, members of the industry recommended that the Commission allow the FCC to

address number conservation issues on a national basis. Telecommunications representatives noted that the FCC is, or will soon be, addressing such conservation efforts as thousand block number pooling and unassigned number porting.

B. Commission Action

The Commission appreciates the Department's efforts to initiate creative solutions to number exhaust issues. The Commission agrees with the Department that number conservation must be a mainstay of any fair and long-lasting number relief plan.

At the May 19 meeting, the Commission noted that other parties had not had an opportunity to comment on the Department's two number conservation recommendations. The Department agreed to bring its number conservation recommendations before the Commission in a future meeting, so that parties and the Commission will have the opportunity to give them due consideration.

For these reasons, the Commission will not act on the Department's number conservation recommendations at this time.

VIII. US WEST'S REQUEST FOR COST RECOVERY

A. Comments of the Parties

US WEST stated that its costs to implement a Phase II three-way municipal boundary split would total approximately \$30 million. In contrast, an overlay solution would cost the company approximately \$3.5 million. According to US WEST, its position as the main local provider in the subject area causes it to shoulder the major portion of implementation costs. US WEST argued that the high cost of a three-way municipal boundary split would cause the company significant financial and competitive harm.

US WEST asked the Commission to allow US WEST to recover the costs associated with the geographic split from residential and business customers in the current (612) area.

The Department opposed US WEST's request for cost recovery. The Department noted that US WEST had found creative solutions to Phase I implementation, eventually completing the project at a cost much lower than it had projected. The Department believed that a Commission guarantee of cost recovery would remove US WEST's incentive to find cost-saving methods for Phase II implementation.

The Department stated that US WEST should pursue any cost recovery issues by filing an appropriate petition in the company's alternative regulation plan docket, P-421/AR-97-1544.⁵

B. Commission Action

The Commission agrees with the Department that US WEST must pursue any cost recovery

⁵ In the Matter of a Petition by US WEST Communications, Inc. Requesting Approval of an Alternative Regulation Plan.

theory in the context of its alternative regulation plan docket. US WEST's plan, which the Commission approved with modifications in December, 1998, governs issues of price and rate recovery for the company. Only in the context of that proceeding could the parties, the Department, and the Commission fully explore US WEST's request for rate recovery for area code implementation costs.

The Commission will not grant US WEST's request for recovery of its area code implementation costs in this proceeding. US WEST is free to petition for Commission consideration of those costs under its alternative regulation plan.

ORDER

1. The Commission reaffirms its April 6, 1999 Order, with one modification: the permissive dialing period for Phase II will begin after February 15, 2000.
2. The permissive dialing period for the burglar and fire alarm industry may extend for up to ten months past the planned termination of the Phase II permissive dialing period. The alarm industry, US WEST, any other involved local carriers, and the NANPA should work together to identify the central office codes for which the dialing period must be extended, and to implement the necessary extension.
3. The Commission grants GTE's request to draw the area code boundary line along Maple Plain's wire center boundary as described in this Order.
4. The Commission denies US WEST's request for recovery of implementation costs in this docket.
5. This Order shall become effective immediately.

BY ORDER OF THE COMMISSION

Burl W. Haar
Executive Secretary

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